

Briefing  
**National Energy Policy**  
Friday, July 17, 2020

**EPA-IOGCC Task Force Meeting** – Next meeting, July 30, 2020, Noon-2 pm EDT

Advised IOGCC that EPA's task force members would be RAs from 3, 5, 6, 8, and 10

IOGCC suggested agenda Items:

- Orphaned Wells
- EPA GHG determination from orphaned wells

EPA suggested agenda items:

- NEPA
- OOOOa
- NAAQS
- Non-attainment Remand

Will schedule a pre-brief for EPA task force members before July 30.

**Dakota Access Pipeline (DAPL)**

July 6, 2020: Judge Boasberg, United States District Court for the District of Columbia orders shut down and emptying of pipeline by August 5, 2020.

DAPL has appealed, US Court of Appeals for the District of Columbia issued an administrative stay on lower court's order until July 23 to allow time to submit briefs.

DAPL moves 530,000 barrels per day (BOPD) of crude oil from North Dakota to a pipeline interconnect at Patoka, Illinois. Much of the crude is ultimately transported via pipeline from Illinois to the gulf coast for refining or export.

Judge Boasberg ruled government had not studied the pipeline's "effects on the quality of the human environment" enough, ordering the United States Army Corps of Engineers to conduct a new environmental impact review. A new EIS is estimated to take 12-13 months to complete.

April-2020 oil production from North Dakota was 1,204,000 BOPD, so this single pipeline is responsible for 44% of ND oil production transport. It's not clear if there is enough rail capacity to absorb this shutdown.

This pipeline has had continued opposition from the Standing Rock Sioux Tribe, their reservation is located just downstream from the DAPL crossing on the Missouri River.

**Keystone XL Pipeline (KXL) and USACE Nationwide Permit 12 Program**

July 6, 2020: The Supreme Court will allow the Army Corps of Engineers (USACE) to resume using its streamlined water-crossing permit for the construction of new oil and gas pipelines, however, Keystone XL oil pipeline was excluded from this decision.

The decision will allow the USACE to continue its Nationwide Permit 12 program for authorizing dredge-and-fill activities for new pipeline projects across the country

The U.S. District Court for the District of Montana (Judge Brian Morris) put the nationwide permit on hold for all pipelines after finding the Army Corps had failed to assess the cumulative impacts of the program on endangered species before reauthorizing KXL in 2017.

### **Atlantic Coast Pipeline**

Dominion Energy and Duke Energy announced cancellation on Sunday, July 5, 2020.

This was an 8-billion-dollar project (original cost estimate was 5.1 billion) to move Marcellas gas from northern West Virginia, across Virginia and into North Carolina markets, 600 miles, 42" diameter.

On June 15 the US Supreme court (7-2) ruled in favor of the pipeline and said it could cross the Appalachian Trail on federal land, overturning Fourth Circuit's decision (heard in Feb-2020). Case centered on whether the trail was owned by National Park Service or US Forest Service. (The trail has a right-of-way from the Forest Service to maintain the trail.)

The crossing under the Blue Ridge Parkway was still in litigation.

The company cited escalating costs, permitting delays, and decrease in market outlook for EGUs in North Carolina.

### **LNG Export**

FERC approved Jordan Cove LNG Export Terminal on July 6, authorizing export of domestically produced LNG, DOE had conditionally approved export in 2014.

This facility will export up to 1.08 billion cubic feet per day (BCFpd) sourced from US and Canada. Wyoming, western Colorado and northwestern New Mexico are the most likely production sources.

Oregonians have largely opposed the project. OR Dept of Environmental Quality denied a water quality certification for the project, which was subsequently withdrawn, waiting on clarification from the Trump administration (401).

A pipeline is needed to supply gas to the facility, the Pacific Connector Pipeline will start at an interconnect near Malin, OR, and extend 230 miles to Jordan Cove. The 30" diameter pipeline also faces significant opposition.

### **US Rig Count** from Baker Hughes as of July 17, 2020

253 this week

258 last week

701 one year ago (-73% decrease)

TX 104 (41% of total)

CO 5, OK 10, ND 10, NM 50

124 in Permian Basin (49% of total)

**Oil Production** released 7/31 from EIA for April-2020.

US was 12.061 million BOPD, down 5.9% from all-time high 12.813 million BOPD in Dec-2019.

TX was 5.200 million BOPD, down 4.3% from all-time high 5.434 million BOPD in Mar-2020.

ND was 1.214 million BOPD, down 17% from all-time high 1.48 million BOPD in Oct-2019.

NM was 1.082 million BOPD, down 2.3% from all-time high 1.48 million BOPD in Mar-2020.

Region 6 produced 73% of total US oil production in Apr-2020.

Colorado is 6,000 BOPD from surpassing Oklahoma as the fourth largest crude producing state.

Oklahoma was 499,000 BOPD compared to 493,000 BOPD from CO.

**Oil Price on 7/17/2020**

WTI closed at \$40.72/Bbl.

Brent closed at \$43.13/Bbl.

**Gas Storage** for week of 7/10, reported 7/16:

3,178 BCF, up from 3,133 BCF previous week, 2,515 BCF one year ago

Five-year average is 2,742 BCF for this week.

2018 and 2019 max fill was about 4,000 BCF, so we're about 75% full.

**2019 US Uranium Production**

EIA released 2019 production numbers, the US produced 174,000 pounds of uranium concentrate (U3O8) in 2019, 89% less than 2018, and the lowest amount produced since EIA data series began in 1949.